GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

W.R(Project.II) Department – Poola Subbaiah Veligonda Project – Package-V – Investigation, Design, Excavation and Construction of 2nd tunnel with 9.2M internal dia for PSVP using double shield Tunnel Borning machine i.e., from Kollam Vagu in the foreshore of Srisailam Reservoir upto Guntur-Kurnool Road to join into the Feeder canal, including construction of head regulator Approaches, Approach Channel, exit channel – Variation in Foreign Exchange Rates and Price Escalation for Electrical power component – Orders – Issued

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Water Resources [Project-II] DEPARTMENT

G.O.RT.No. 649 **Dated: 03-10-2015**

Read:

From the CE, (P), Ongole, Lr. No. CE (P) / OGL / DEE2 / AEE1 / 21 / 2006 / VGP/P-V /Vol.6, dt.19-09-2014,11-11-2014 and .04.2015

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ORDER:

In the reference read above, the Chief Engineer, (P),Ongole has reported that the subject work Package-V was entrusted to M/s HCC-CPPL(JV), Hyderabad under EPC Turnkey System vide Superintending Engineer, Construction Circle, Ongole Agt.No.10/2007-08, Dt.21.6.2007 for an amount of Rs. 735.21 Crores with a stipulated completion period of 5 years. The Agency imported Robins, U.S.A made Tunnel Boring Machine and commenced Tunnel boring during 2009. Though some other works were carried out by that time, actual Tunneling work was possible only after receiving 1st stage MOEF clearance by 09/2019. During execution, the Agency represented for consideration of price escalations stating their inability to sustain the work on account of negative cash flows due to cost overruns in the extended periods of execution. All the above events culminated in stoppage of work by the Agency and they submitted specific events for which compensations were sought on completed work.

The Chief Engineer (Projects), Ongole opined that, the reasons for delays in execution of the project are, 1) Delay in receiving 1st stage MOEF clearance for about 3 years, 2). Rescue operations lasting 1 year 4 months after geological accident, 3) Limitations of TBM technology in handling different rock formations etc, are all beyond the control of the Agency. The Chief Engineer recommended that the compensations sought by the Agency which are restricted to about Rs.260.47 Crores, in view of the special nature of work and the delay caused due to reasons not attributable to the agency.

The SLSC in its meeting held on 26-3-2015, discussed the proposals in detail and recommended to the Government to consider the variation in foreign exchange rates and price escalation for electrical power composition.

The High Power Committee in its meeting held on 11-06-2015 discussed the proposals in detail, based on the recommendation of State Level Standing Committee and in view of the special nature of the work, and recommended to Government to consider the variation in foreign exchange rates for the work done after 1-5-2015 and the power charges would be counted as fuel in addition to POL in so far as fuel escalation is concerned, and paid to concerned Power Distribution Company and arrears towards fuel escalation would adjusted towards power consumption for ongoing works.

Government after careful examination of the proposal and based on the recommendations of the SLSC and High Power Committee, in view of the special nature of the work, hereby consider to pay the variation in foreign exchange rates for the work done after 1-5-2015 and also power charges would be counted as fuel in addition to POL henceforth in so far as fuel escalation is concerned, and power charges only would be paid to concerned Power Distribution Company in the subject work and arrears towards power charge would be adjusted towards power consumption for ongoing works.

(P.T.O)

The Chief Engineer, (P), Ongole, shall take necessary action duly following the guidelines issued by Government from time to time.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

ADITYA NATH DAS
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Chief Engineer, (P), Ongole

Copy to:
P.S to Secretary to CM
OSD to Minister (WRD)
P.S. to Prl. Secretary (WRD)
SF/SC

// FORWARDED :: BY ORDER//

SECTION OFFICER